

GLOBAL NEWS LINE

UNITED KINGDOM

The UK government has created a new department to oversee the agriculture, food, and environment sectors. As of June 9, 2001, the new Department of Environment, Food, and Rural Affairs (DEFRA) will assume some of the responsibilities formerly administered by the Ministry of Agriculture, Fisheries, and Food (MAFF) and the Department of Environment, Transport, and the Regions (DETR).

As the responsibilities of MAFF and DETR have been redistributed, these agencies have ceased to exist. These changes were made after the general election of June 2001, when Prime Minister Tony Blair announced the restructuring of several government agencies.

SPAIN

The Spanish vending machine industry recorded high levels of growth between 1990 and 1998. In 1998 there were about 340,000 vending machines operating throughout Spain, of which 100,000 were tobacco-dispensing machines. The market is expected to continue its expanding trend. However, given the current degree of penetration, it will do so at a slower pace.

There are only a few companies manufacturing vending machines in Spain. The major producers are Azkoyen Industrial, S.A. and Jofemar, S.A. Both of them are based in Navarra, in the north of Spain. Azkoyen Industrial is the leading manufacturer of vending machines in Spain, with sales of \$87 million in 1998.

A total of 96,000 vending machines — with a value of \$56.5 million — were imported into Spain during 1999. A major supplier to the Spanish market is

Italy, followed by the United States. The United States, with a 14 percent market share in 1999, continues to hold a significant share of the total import market. That year, imports of vending machines from the United States increased 27 percent to \$7.8 million.

RUSSIA

The sporting goods market is currently one of the fastest growing markets in Moscow. Russia has always been a country devoted to sports, but only recently have healthy lifestyles become extremely popular and caused a demand for specialized sports apparel and accessories. The number of advertisements of sporting goods and services as well as specialized publications devoted to sport, fitness, and health issues is rapidly growing. Moscow and Moscow Oblast are the leading consumption centers for the majority of sport and recreational activities and the main consumers of sporting goods. About 90 percent of all the sporting good products sold in Moscow are imported. The number of dynamic retailers offering a wide selection of sporting goods is growing. U.S. made products hold about 11 percent of the total market. As new sports become popular, they are creating market niches for new equipment and products.

Best prospects for U.S. companies in the sporting goods market include exports of equipment and accessories for fitness, outdoor and extreme sports, winter sports, water sports, bowling, billiards, street sports, paintball, tennis, and golf. U.S. companies are viewed as trendsetters, and U.S. equipment continues to be popular due to its overall high quality. U.S. companies could substantially increase their presence in Russia by locating a reliable trade partner, participating in the local trade shows and implementing more aggressive marketing strategies. While Russia

becomes a more sports-minded country and the well being of Russia's economy improves, the number of opportunities for U.S. companies is growing.

MALAYSIA

The merger and consolidation of Malaysian domestic banking institutions to ten anchor banking groups should be completed by the end of 2001. During the merger process, the banking groups spent heavily to integrate their banking systems. With system integration in place, the focus is now on implementation of e-banking or online banking services. Maybank Bhd, the nation's largest banking group, took the lead in offering e-banking by launching online services in June 2000. Four other banking groups followed suit, in the following order:

Maybank Bhd
www.maybank2u.com

Southern Bank Bhd
www.sbbdirect.com.my

Hong Leong Bank Bhd
www.hlb.com.my

Alliance Bank Bhd
www.alliancebank.com.my

Public Bank Bhd
www.pbcbank.com

Presently, Maybank Bhd offers the most comprehensive portfolio of online services among the five banks. It currently has 300,000 subscribers, with more than 3.7 million transactions recorded since the service was launched last year. Online services provided include: information on existing accounts, transfer of funds within the banking group, payment of bills for utilities, telecommunication, insurance, credit card, etc. and listing of transactions performed,

including checks cleared. The bank plans to continue upgrading and enhancing its online services.

The other four anchor banking groups are currently in the process of implementing online services to prepare themselves for January 2001, when the government of Malaysia will allow foreign banks to launch e-banking services. Therefore, significant funds will be invested in e-banking solutions and technology, including security and risk management products for Internet banking.

SOUTH AFRICA

According to the August 24, 2001 issue of *Business Day*, the South African government is planning to open port operations to the private sector to encourage lower costs and improved efficiency. Concessions will be accompanied by a R2 billion (\$243 million) investment over the next two years for the upgrading of the existing infrastructure. The objective of the investment is to modernize ports and to accommodate the rapid increase in the volume of cargo moving through them.

Although this move is likely to be opposed by South African Trade Unions, who are generally against privatization incentives of any kind, Jeff Radebe, Public Enterprises Minister, commented at the launch of the new National Ports Authority of South Africa that this strategy was a necessity as the South African government had inherited an inefficient ports system.

All seven of the commercial harbors were not operating on globally accepted standards and had a negative impact on South Africa's economic growth and development. The case for privatization of specific activities is made more compelling by the fact that South African ports handle approximately

98 percent of the country's imports and exports, with cargo volumes totaling 160 million tons in 2000.

The National Ports Authority will receive the proceeds of the concessions, which will be used for the development and maintenance of port infrastructure. The Authority will also be responsible for monitoring the concession agreements.

Commercial opportunities exist for U.S. companies specializing in marine navigation equipment and services and port building equipment and infrastructure.

MEXICO

The total Mexican market for building materials for the housing industry in 2000 is estimated at \$5.3 billion, with U.S. imports of \$1.2 billion representing 70 percent of total imports. The new government that took office in December 2000 has indicated plans to build one million new government housing units per year for the next six years.

It is estimated that the market will grow about 8 percent per year during the 2001-2003 period, reaching \$5.6 billion by the end of 2001. Some of the U.S. companies already in the market that work with local representatives are: Anderson Windows, Marvin Windows, Bruce Floors, Pella Windows and Doors, Western Forms, Armstrong, Royal Building Systems, Atlas Copco, Black and Decker, and Infra Air Products.

In 2000, third country competitor companies had a 30 percent share of the import market.

The market for housing building materials has become more competitive during the last five years, especially with new entrants from Italy, Spain, Korea, Taiwan, Japan, and Canada. Last year's

import market shares were: United States 70 percent, Italy 10 percent, Spain 9 percent, Korea 4.5 percent, Taiwan 3 percent, and Canada 2 percent.

In 2000, the domestic Mexican market had a total of 10,000 building materials manufacturers that exported a total of \$1.9 billion of housing building materials. Ninety-eight percent are micro, small, and mid-sized firms located mainly in the major industrial areas of the country. The following are some of the more well known firms: Eureka, Ceramica Santa Julia, Ladrillera Mecanizada, Terracon, Lamina Desplegada, Panel Rey, Vitro Fibras, Ceramica Gaya, Mosaicos Venecianos de Mexico, Fester, Laminados de Barro, and Mármoles y Granitos.

According to the Mexican Chamber of the Construction Industry, a total of 710,000 new homes were built in 2000. About 310,000 of these were built through programs operated by federal government housing agencies and 400,000 by non-government programs. ■

NEED MORE DETAIL?

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